



BRUCE CHERNOF, M.D.
Acting Director of Health Services

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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January 6, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**INTERAGENCY AGREEMENT REGARDING TRANSFER OF PUBLIC FUNDS
FOR ENHANCED MEDI-CAL TRAUMA PAYMENTS TO PRIVATE HOSPITALS,
EXTENSION AMENDMENTS TO 11 NON-COUNTY TRAUMA CENTER
SERVICE AGREEMENTS, AND RELATED TRAUMA FEES, FUNDING AND
APPROPRIATION ADJUSTMENTS (All Districts) (4 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Acting Director of Health Services, or his designee, to sign the Interagency Agreement regarding Transfer of Public Funds for Enhanced Medi-Cal Trauma Payments to Private Hospitals, with the State of California Department of Health Services (State), upon prior review and approval by the Chief Administrative Office and County Counsel, effective upon execution by the parties, for the intergovernmental transfer (IGT) of funds from the County to the State in the amount previously approved by your Board of approximately \$7.2 million for Fiscal Year (FY) 2003-04 and \$8.5 million for FY 2004-05, and for an amount of \$8.8 million for FY 2005-06, for a total approximate amount of \$24.5 million, as consistent with the terms of the federally-approved State Plan Amendment (SPA) to enable the State to provide additional Medi-Cal payments to ten non-County trauma hospitals identified in Attachment B (excluding UCLA), without additional cost to the County.
2. Delegate authority to the Acting Director of Health Services, or his designee, to offer and execute extension amendments, on substantially similar terms as per the existing Trauma Center Service (TCS) Agreements, with the 11 non-County trauma hospitals identified in Attachment B, upon prior review and approval by the Chief Administrative Office and County Counsel, to extend the Agreement terms effective April 1, 2006 through June 30, 2006, to continue the current Trauma Center Service Program with a maximum County

obligation of \$4.4 million for claims-based reimbursement at rates previously approved by the Board, and a maximum County obligation of \$9.8 million for periodic lump sum payments for FY 2005-06, with a signing deadline of February 28, 2006 for each hospital, in order to maintain the Los Angeles County Trauma Center System.

3. Delegate authority to the Acting Director of Health Services, or his designee, to offer and execute amendments to the TCS Agreements for the ten non-County trauma hospitals, for FY 2004-05 as identified in Attachment B (excluding California Hospital Medical Center [CAL]) to reallocate the lump sum funding among them to more accurately reflect each trauma hospital's actual losses.
4. Delegate authority to the Acting Director of Health Services, or his designee, to offer and execute amendments to the TCS Agreements for the ten non-County trauma hospitals (excluding CAL) for FY 2005-06, to reallocate the lump sum funding among them to more accurately reflect each trauma hospital's actual losses, at such time that all data for reimbursement becomes available.
5. Establish the FY 2005-06 trauma fee for the trauma network of thirteen County-approved trauma centers (11 non-County and two County-operated) at \$33,732 per hospital to offset County costs associated with data collection, monitoring, and evaluation.
6. Approve reimbursement under current TCS Agreement with CAL for service as a designated Paramedic Base Hospital, with a maximum County obligation of \$0.4 million for FY 2005-06. This amount may be decreased by approximately \$0.2 million if federal matching funds become available.
7. Approve an appropriation adjustment to reallocate \$15.7 million in Measure B Trauma Property Assessment (TPA) funds from the Appropriation for Contingencies - Cancelled Commitment to Other Charges, and \$8.8 million from Services and Supplies to Other Charges in the Department's FY 2005-06 Final Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Approval of Recommendation No. 1 will enable the County to transfer Measure B Trauma Property Assessment (TPA) funds to the State in accordance with the Medi-Cal SPA, to enable the State to draw-down federal matching funds to maximize reimbursement to non-County trauma hospitals to help ensure continued access by Medi-Cal beneficiaries to trauma and emergency care.

Approval of Recommendation No. 2 will enable the County Department of Health Services (DHS) to extend and maintain the current TCS Agreement with 11 non-County trauma hospitals and two County-operated trauma hospitals effective April 1, 2006 through June 30, 2006. DHS and the 11 non-County trauma hospitals are currently in negotiations to establish a multi-year TCS agreement to be effective with FY 2006-07.

Approval of Recommendations Nos. 3 and 4 will enable reallocation of \$6,555,900 in lump-sum funding for ten non-County trauma hospitals (excluding CAL) for both FYs 2004-05 and 2005-06 to help ensure continued access to trauma and emergency care for Medi-Cal beneficiaries. The DHS Emergency Medical Services Agency determines the reallocations based on data regarding each hospital's actual trauma center losses. Because the TCS Agreements with these ten non-County trauma hospitals and their funding arrangement preceded CAL's TCS Agreement, approved by your Board on November 16, 2004, this reallocation does not apply to CAL.

Approval of Recommendation No. 5 will establish the FY 2005-06 fee that the thirteen County-approved trauma centers must pay the County to offset its costs for data collection, monitoring, and evaluation.

Approval of Recommendation No. 6 will enable use of TPA funds to provide CAL with the standard annual funding for operation of County-approved Paramedic Base Hospital services effective with FY 2005-06.

Approval of Recommendation No. 7 will enable transfer of Measure B TPA lump-sum funding to the State so that federal matching funds can be drawn-down, since the Medi-Cal SPA has been approved, and payment will be made directly to the non-County hospitals by the State.

FISCAL IMPACT/FINANCING:

Claims-Based Reimbursement to Contractor

Payment to ten non-County trauma hospitals and CAL will be paid at the rates approved by the Board on June 24, 2003, and November 16, 2004, respectively, for reimbursement of care provided to eligible indigent patients from April 1, 2006 through June 30, 2006. These all-inclusive rates are identical for all 11 non-County trauma hospitals. The maximum obligations for the three-month extensions of the TCS Agreements with the ten non-County trauma hospitals and CAL will be \$3.7 million and \$0.7 million, respectively.

Lump-Sum Reimbursement to Contractor from State IGT

In the TCS Agreement and subsequent amendments approved by the Board, the funds to be used for the IGT had already been approved for FYs 2003-04 and 2004-05 for a total amount of \$15.7 million. Execution of the IGT Agreement with the State for these funds will be at no additional cost to the County for FY 2005-06, Board approval will impose a maximum County obligation of \$8.8 million as an IGT to the State. The federally matched funding will be distributed to the ten private non-County trauma hospitals based on recommendations from the County through agreements between the State and each trauma hospital.

Although the SPA has been approved by the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS), out of an abundance of caution, the Department has set forth a reallocated maximum lump sum County obligation which reflects changes to the original

amount based on each trauma hospital's actual losses to ensure funding to each trauma hospital should the Interagency Agreement with the State not be finalized. Because CAL was designated as a trauma hospital on November 16, 2004, which precedes the effective date of the TCS Agreements with the ten non-County trauma hospitals and the arrangement among them to distribute funding based upon actual losses, CAL is subject to a separate funding arrangement and no lump sum reallocation is necessary.

There are sufficient appropriations in the Department's FY 2005-06 Final Budget to make the expenditures required by the extension of the TCS Agreement.

The appropriation adjustment in the amount of \$24.5 million is necessary to reallocate \$15.7 million in Measure B Trauma Property Assessment funds from the Appropriation for Contingencies-Cancelled Commitment to Other Charges, and \$8.8 million from Services and Supplies to Other Charges in the FY 2005-06 Measure B Final Budget. This appropriation adjustment will enable DHS to transfer the lump sum funding to the State so that federal matching dollars can be obtained, and payment will be made directly to the non-County hospitals by the State.

Base Hospital Fee to CAL

A maximum of \$0.4 million in TPA funding will be needed to pay CAL for providing Paramedic Base Hospital services. This amount may be decreased by approximately \$0.2 million if federal matching funds become available. There is sufficient TPA funding in the FY 2005-06 Final Budget to make this expenditure.

Trauma Network Fee to County

Each of the thirteen County and non-County trauma hospitals shall pay the annual trauma fee for FY 2005-06, in the amount of \$33,732 per hospital, no later than June 30, 2006.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On June 24, 2003, the Board approved a TCS Agreement with ten non-County trauma hospitals for FYs 2003-04 and 2004-05 to ensure the continued provision of trauma services in Los Angeles County. On November 16, 2004, the Board approved a TCS Agreement with CAL effective December 1, 2004 through June 30, 2005.

Through subsequent amendments, and most recently on December 20, 2005, the Board approved Amendment No. 2 to the Agreement with CAL and Amendment No. 4 with the remaining ten non-County trauma centers, to extend the term on a month-to-month basis effective from January 1, 2006 through March 31, 2006.

Upon execution of the Interagency Agreement, consistent with the terms of the SPA, the County will transfer Measure B funds to the State in the form of an IGT. The IGT is permitted by federal law and is consistent with terms of the Medi-Cal SPA approved by CMS effective July 1, 2003.

Allocation of the federally matched funds payable to each of the ten non-County trauma hospitals (excluding UCLA) will be made by the State on recommendation of the Department.

The enhanced Medi-Cal trauma hospital payments will be made in accordance with the terms, conditions, and requirements set forth in a separate agreement to be executed between each non-County trauma hospital contractor (excluding UCLA) and the State, or its intermediary.

For purposes of the federally approved Medi-Cal SPA, UCLA is considered a Public Hospital and is not eligible to receive enhanced trauma hospital payments.

The amendment to the TCS Agreement with CAL to extend the term specified in Recommendation No. 2 will reflect the reallocation of \$210,250 of contingency funding for FY 2004-05 approved by the Board on November 16, 2004, for additional IGT funds to the State of California. The IGT funds will generate additional Federal matching funds for the State's Medi-Cal program to enhance Medi-Cal payments for trauma and emergency care, based on the actual trauma center losses. There is no net County cost associated with this reallocation.

CAL was designated a Paramedic Base Hospital effective July 1, 2005, and therefore shall receive funding consistent with that established for Paramedic Base Hospitals also designated as non-County trauma hospitals.

The Chief Administrative Office and County Counsel will approve the Interagency Agreement as to use and form prior to execution by the parties.

The Chief Administrative Office and County Counsel will approve the TCS amendments as to form prior to their distribution to the non-County trauma hospitals for signatures.

The two County-operated trauma centers (LAC+USC and Harbor-UCLA Medical Centers) also operate under the same programmatic terms of the standard agreement as a Memorandum of Understanding (MOU), as required by State trauma regulations. The two County-operated trauma centers will sign MOU amendments to extend the term through June 30, 2006.

Attachments A and B provide additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise the Interagency Agreement or the TCS amendments on the Office of Small Business' Countywide Web Site.

IMPACT ON CURRENT SERVICES:

The Interagency Agreement for the intergovernmental transfer of public funds and the extension of the TCS Agreement will help to ensure continuation of trauma care services in Los Angeles County.

The Honorable Board of Supervisors
January 6, 2006
Page 6

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce Chernof, M.D.
Acting Director of Health Services

BC:af
BLETC4177.CBA

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Trauma Services at eleven non-County trauma centers.

2. LOCAL EMERGENCY MEDICAL SERVICES (EMS) AGENCY:

Department of Health Services
Emergency Medical Services Agency
5555 Ferguson Drive, Suite #220
Commerce, California 90022
Attention: Carol S. Meyer, Director
Telephone: (323) 890-7545

3. HOSPITALS:

See Attachment B.

4. TERM OF AGREEMENT:

The eleven non-County trauma center agreements are scheduled to expire on March 31, 2006. The amendments extend the agreements for an additional three months, to and including June 30, 2006.

5. FINANCIAL INFORMATION:

A maximum of \$0.4 million in TPA funding will be needed to pay California Hospital Medical Center (CAL) for providing Paramedic Base Hospital services. There is sufficient TPA funding in the FY 2005-06 Final Budget to make this expenditure.

Each of the thirteen County and non-County trauma hospitals shall pay the annual trauma fee for FY 2005-06, in the amount of \$33,732 per hospital, no later than June 30, 2006.

Payment to ten non-County trauma hospitals and CAL will be paid at the rates approved by the Board on June 24, 2003, and November 16, 2004, respectively, for reimbursement of care provided to eligible indigent patients from April 1, 2006 through June 30, 2006. These all-inclusive rates are identical for all eleven non-County trauma hospitals. The maximum obligations for the three-month extensions of the TCS Agreements with the ten non-County trauma hospitals and CAL will be \$3.7 million and \$0.7 million, respectively.

There are sufficient appropriations in the Department's FY 2005-06 Final Budget to make the expenditures required by the extension of the TCS Agreement.

The appropriation adjustment in the amount of \$24.5 million is necessary to reallocate \$15.7 million in Measure B Trauma Property Assessment funds from the Appropriation for Contingencies-Cancelled Commitment to Other Charges, and \$8.8 million from Services and Supplies to Other Charges in the FY 2005-06 Measure B Final Budget. This appropriation adjustment will enable DHS to transfer the lump sum funding to the State so that federal matching dollars can be obtained, and payment will be made directly to the non-County hospitals by the State.

Part II

1. TYPE OF SERVICE:

Interagency Agreement with the State of California Department of Health Services, for the Transfer of Public Funds for Enhanced Medi-Cal Trauma Payments to Private Hospitals.

2. CONTACT PERSONS:

Department of Health Services
Medical Care Services
1501 Capitol Avenue, Room 6086 MS 4000
Sacramento, CA 95814
Contact: Stan Rosenstein, Deputy Director

3. HOSPITALS:

See Attachment B.

4. TERM OF AGREEMENT:

Effective upon execution by the parties. Either party may terminate this Agreement upon sixty days written notice to the other party.

5. FINANCIAL INFORMATION:

Approval will enable the County to transfer Measure B Trauma Property Assessment funds to the State in accordance with the Medi-Cal State Plan Amendment, to enable the State to draw-down federal matching funds to maximize reimbursement to non-County trauma hospitals to help ensure continued access by Medi-Cal beneficiaries to trauma and emergency care.

6. GEOGRAPHIC AREA SERVED:

Countywide.

7. ACCOUNTABLE FOR PROGRAM MONITORING:

Local EMS Agency.

8. APPROVALS:

Local EMS Agency:

Carol S. Meyer, Director

Contracts and Grants Division:

Cara O'Neill, Chief

County Counsel (approval as to use and form):

Edward A. Morrissey, Deputy

TRAUMA CENTER SERVICE AGREEMENT
AMENDMENT

			MAX AMT FY 2004-05	MAX AMT FY 2005-06
1.	California Hospital Medical Center 1401 S. Grand Avenue Los Angeles, CA 90015	H-700741	\$ 918,250	\$ 918,250
2.	Cedars-Sinai Medical Center 8700 Beverly Boulevard Los Angeles, CA 90048-1865	H-300384	229,038	229,038
3.	Children's Hospital Los Angeles 4650 W. Sunset Boulevard Los Angeles, CA 90027-6062	H-300379	252,149	252,149
4.	Providence Holy Cross Medical Center 15031 Rinaldi Street Mission Hills, CA 91345-1207	H-300380	1,200,246	1,200,246
5.	Huntington Memorial Hospital 100 W. California Boulevard Pasadena, CA 91105-3097	H-300378	622,183	622,183
6.	Henry Mayo Newhall Memorial Hospital 23845 McLean Parkway Valencia, CA 91355-2083	H-300381	258,865	258,865
7.	Long Beach Memorial Medical Center 2801 Atlantic Avenue Long Beach, CA 90806-1737	H-300385	853,306	853,306
8.	Northridge Hospital Medical Center 18300 Roscoe Boulevard Northridge, CA 91325-4105	H-300383	719,592	719,592
9.	Saint Francis Medical Center 3630 E. Imperial Highway Lynwood, CA 90262-2678	H-300376	1,504,755	1,504,755
10.	Saint Mary Medical Center 1050 Linden Avenue Long Beach, CA 90813-3393	H-300506	311,019	311,019
11. *	UCLA Medical Center 10833 LeConte Avenue Los Angeles, CA 90095-3075	H-300382	<u>604,747</u> \$7,474,150	<u>604,747</u> \$7,474,150

* **Public Hospital** - will not receive enhanced trauma hospital payments under the Medi-Cal SPA

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF Health Services

January 9, 2006

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

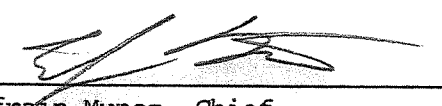
ADJUSTMENT REQUESTED AND REASONS THEREFOR

Fiscal Year 2005-06
(4-VOTES)

Please see attached for details.

Justification:

The appropriation adjustment in the amount of \$24,489,000 is necessary to reallocate \$15,739,000 in Measure B Trauma Property Assessment funds the Appropriation for Contingencies - Cancelled Commitment to Other Charges, and \$8,750,000 from Services and Supplies to Other Charges in the Fiscal Year 2005-06 Measure B Final Budget. This appropriation adjustment will enable DHS to transfer the lump-sum funding to the State, so that federal matching dollars can be obtained, and payment will be made directly to the Non-County hospitals by the State.

EM:bsr
01/09/06

Efrain Munoz, Chief

DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

JANUARY 9, 2006

DAVID B. JANSSEN

AUDITOR-CONTROLLER

BY

Heidi Jung

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 223

JAN-9 2006

BY

DEPUTY COUNTY CLERK

SEND 4 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2005-06

(4 VOTES)

SOURCES:

Measure B Account

Appropriation for Contingencies - Cancelled Commitment

BW9-HS-41017-3306

\$ 15,739,000

Measure B Account

Services & Supplies

BW9-HS-41017-2000

8,750,000

USES:

Measure B Account

Other Charges

BW9-HS-41017-5500

\$ 24,489,000


Total DHS

\$ 24,489,000

Total DHS

\$ 24,489,000

NOTED AND APPROVED


Efrain Munoz, Chief

DHS-Controller's Division

BA#223, JAN. 9, 2005

Helen Jung